

In the Matter of)	No. G 98 - 1
)	
The Target Examination of)	FINDINGS, CONCLUSIONS,
FIRST CHOICE HEALTH PLAN, INC.)	AND ORDER ADOPTING REPORT
)	OF TARGET EXAMINATION
A Registered Health Care Service)	
Contractor.)	

BACKGROUND

A target examination of the condition of **FIRST CHOICE HEALTH PLAN, INC.** (the Company) as of December 31, 1996, was conducted by examiners of the Washington state Office of the Insurance Commissioner (OIC). The company holds a Washington certificate of registration as a health care service contractor. This target examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The target examination report with the findings was transmitted to the Company for its comments on October 10, 1997.

The Commissioner or a designee has considered the report, the relevant portions of the examiner's work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Target Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 2 through 8 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached target examination report as the final report of the target examination of **FIRST CHOICE HEALTH PLAN, INC.**

ORDER

The target examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final target examination report.

The Company is ordered as follows, these being the Recommendations contained in the target examination report on page 2:

1. It is recommended that the Company complete its annual statement according to the NAIC Annual Statement Instructions, as noted in Recommendation (1) of the target examination report.
2. It is recommended that the Company maintain stricter control over check stock and issue checks in numerical and succeeding date order to minimize the probability of impropriety and general errors in processing disbursements, as noted in Recommendation (2) of the target examination report.
3. It is recommended that the Company perform bank reconciliation procedures in a timely manner each month, as noted in Recommendation (3) of the target examination report.

ENTERED at Lacey, Washington, this 7th day of January, 1998.

DEBORAH SENN
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division